WEEKLY ECONOMIC REVIEW

June 29, 2007

Canadian real GDP was unchanged in April after growing 0.3% in March and 0.4% in February. The lack of growth was largely due to significant drops in wholesale trade, oil and gas exploration, and motor vehicle manufacturing.

U.S. real GDP growth for the first quarter was revised upward to 0.7% from the previously reported 0.6%. This confirms that Canadian annualized economic growth of 3.7% in the first quarter significantly outpaced that in the U.S.

Alberta's tight labour market continued to put upward pressure on wages in April, with average weekly earnings increasing by 0.8 % from March. Compared to April 2006, average weekly earnings rose 4.4%, 1.4 percentage points higher than the national average.

Population in Alberta rose 0.57% over the first quarter of 2007, more than twice the national growth of 0.23%. Although interprovincial migration for Alberta continued to be the highest among Canadian provinces, it slowed down in the first quarter with a net inflow of 7400 people, less than one half of the 15,600 recorded in the first quarter of 2006.

The U.S. Federal Reserve, as widely anticipated, kept the Federal Funds rate unchanged at 5.25% for the eighth consecutive meeting. In its policy statement, the Fed continued to identify inflation as the major economic risk.

Cdn Dollar (US¢/CS)

June	29, 2007	94.0
June	22, 2007	93.7
2007-08	YTD	91.2

WTI Oil US$/bbl

June	28, 2007	$69.57
June	21, 2007	$68.65
2007-08	YTD	$64.93

Nymex Natural Gas CS/MMBtu*
July Contract

June	29, 2007	$7.13
June	22, 2007	$7.16

*Estimate based on Nymex Futures Market Price

Sales of existing homes in the U.S. declined by 0.3% in May to the lowest level in almost four years. In the same month, new home sales also fell by 1.6%, another sign of a soft house market.

Influenced by a stronger Canadian dollar, the Industrial Product Price Index declined by 0.5% in May after six consecutive monthly increases. The decrease in prices is mainly attributable to the decline in prices of motor vehicles, primary metal products and pulp and paper products. Over the same period, the Raw Materials Price Index fell by 0.2% due to lower prices for mineral fuels and ferrous materials.

Oil rose to around $70 on falling gasoline inventories in the U.S.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date[1]
Real GDP (millions of $1997)	**April**			
Canada	1,112,346	0.0%	2.1%	2.1%
Average Weekly Earnings ($)	**April**			
Alberta	829.56	0.8%	4.4%	4.8%
Canada	765.36	0.2%	3.0%	3.0%
Industrial Product Price Index (1997=100)	**May**			
Canada	117.7	-0.5%	3.0%	3.8%
Raw Materials Price Index (1997=100)	**May**			
Canada	173.7	-0.2%	1.9%	6.5%

Source: Statistics Canada
[1]Year-to-date 2007 compared to the same period in 2006.